



Friday, January 15, 2021

*Confidential*

Mr. Gene Fuqua  
Commonwealth Seed Capital, LLC  
300 West Vine Street, Suite 600  
Lexington, Kentucky 40507-1751

Dear Gene:

Unity Aluminum ("Unity") has met all the provisions of the side letter agreement with CSC that was amended and restated on May 7<sup>th</sup>, 2018, except for item (b).

- It has acquired an existing facility and building in EastPark;
- it has allocated and used well over \$25,000,000 for the purpose of designing, engineering and preparing for the construction of a fully integrated aluminum rolling mill (approximately \$58,000,000) and has not spent more than \$25,000,000 for any other purpose;
- it has maintained at least 51% of its employees employed in the Commonwealth of Kentucky;
- it has maintained at least 51% of its tangible assets located within the Commonwealth of Kentucky; and
- it has maintained its headquarters within the Commonwealth of Kentucky.

Unity Aluminum has not met and will not meet the requirements of provision (b) of the side letter agreement. However, Unity Aluminum *has* made great progress towards meeting that requirement despite the COVID-19 pandemic and its severe impact on the local, regional and global economy.

To date, Unity Aluminum has raised over \$165,000,000 in equity. We recently received a term sheet commitment for up to \$300,000,000 in junior debt and have mandate letter with KFW IPEX-Bank for approximately \$580,000,000 in senior secured debt.

Our investment bank, Headwall Partners, is currently raising the remainder of the debt and equity and have set the goal to have the permanent project financing complete by the third quarter of 2021. We anticipate closing on an earlier bridge round of financing by March 2021.

Because Unity Aluminum has made substantial progress it respectfully requests an amendment to item (b) in its side letter agreement. The amendment would reflect an 18-month extension to item (b).

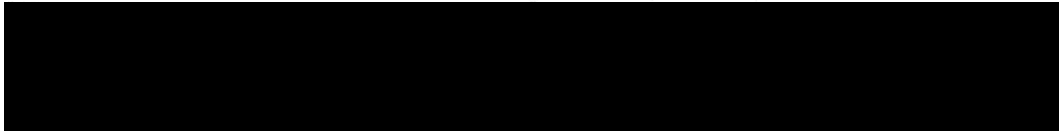
Unity Aluminum continues to take its responsibilities seriously and to diligently address the challenges the project has faced with high ethics and sound management and judgment. Unity's



goal remains to do what is right for the Ashland area, the greater Tri-State Region, and the Commonwealth of Kentucky.

It is appropriate to restate the progress since June of 2020, when our new management committed to the project.

- Re-working the engineering plan for the mill. Modifications to both the hot end, cast lines and the finishing mill complex have resulted in a volume increase of 17% to 352,000 metric annual tons.
- Streamlining the finance team with the requisite expertise to drive both budget discipline and a credible financial model required to secure the equity and debt.
- After the separation from the former CEO, we drove restructuring initiatives to reduce then Braidy Industries corporate overhead, divested non-core assets (Veloxint), and ceased all international M&A activities. We now only participate in activities that directly contribute to building a successful mill in Ashland, Kentucky.
- Hired a proven, metals-centric Investment Banking team, Headwall Partners.
- Headwall formally launched the fundraising effort the first week of November, 2020.



- We have begun the equipment financing application process to secure the world class SMS and Ebner mill equipment. As a reference, this is the same equipment complement that is being utilized in the successful Big River plant in Arkansas.
- Thanks to the approval of the AML grant, extensive site preparation has been completed early and on budget, moving 510,000 cubic yards of soil and installing a site wide drainage system.
- Recent successful rebranding of the company to Unity Aluminum, "Together...Lighter...Stronger...Greener" better reflects our new collaborative culture and commitment.
- Strengthened the Unity Board of Directors with the addition of Steel Dynamics executive Barry Schneider who has deep experience in greenfield startups.

All of these significant items have cleaned up past issues and prepared the project to be professionally presented to the financial markets. Unity Aluminum remains committed to this project that will bring significant investment, jobs, and economic development to the Ashland area. Its success hinges on the Commonwealth of Kentucky's continued support. It is Unity's sincere hope that Commonwealth Seed Capital will amend its side letter agreement to reflect a ~~\_\_\_\_\_~~ extension for item (b).

DN 18ms

Respectfully,

A handwritten signature in black ink, appearing to read "Don Foster".

Don Foster  
Acting President and CEO